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FOREIGN SERVICE DESPATCH

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FROM : The American Embassy, BONN

TO : THE DEPARTMENT OF STATE, WASHINGTON

REF : Embassy's D-1169, February 2, 1959, and D-495, September 29, 1959;
Embassy's tel 1389 to Department, January 28, 1960.

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SUBJECT: The German Scene at the Turn of the Year

Summary and Conclusions *

1959 has been a year in which Adenauer and the German people have felt that the very foundations of their security and stability may be shifting. It seems to them that the political and strategic conditions in which the Federal Republic was born and raised are changing and that their allies are unsure of themselves in the fact of Soviet military progress and, under Soviet pressure on Berlin, inclined to abandon long-held positions in favor of some new arrangements at the expense of Germany.

* The section "Summary and Conclusions" of this report was sent telegraphically to the Department in Bonn's telegram to Department 1389, January 28, 1960.

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As has been said in past year-end surveys, the Federal Republic continues to be entirely opposed to Communism and closely associated with the West. The German military contribution is increasing, but more difficulty is being met in obtaining a technically trained and technologically up-to-date army than in achieving numerical goals. There is a readiness to take a more active part in aiding less developed areas. Reunification is no nearer than before but it remains a major national objective and a frustrating matter of conscience for which, however, the West German public is not prepared to sacrifice its security or prosperity. With full employment and prosperity the public remains politically passive. Faced with the threat to Berlin the political parties drew closer together in opposing concessions at the expense of the city. At the same time, however, the bitter rivalry and tension among political parties were discernible in the local elections and in early maneuvering in anticipation of the 1961 Federal elections.

The key to practically all political developments in the Federal Republic is Adenauer, who remains in control of policy-making and basic political decisions. Adenauer's party controls the Bundestag and Bundesrat and fully supports his decisions and policies. For the present and, if grim determination and a remarkable constitution are enough, for at least two years more the character, policies and actions of the Federal Republic will be those of this old man so well described once as a "dour old Moses". He rules with undiminished self-assurance and confidence in his policy which subordinates reunification to security in a Western alliance standing uncompromisingly against Russian power and international Communism.

The central motifs in the foreign relations and domestic politics of the Federal Republic during 1959 were (a) the Soviet threat to Berlin, the Western reactions thereto, and the implications of both for the future of the alliance; (b) the further development of a German-French partnership, as Adenauer during the year became increasingly doubtful of British and perhaps also of American reliability for the long-term defense of continental Europe against Soviet aggression and penetration; and (c) the preliminary round of the struggle over who is to succeed Adenauer as Chancellor and leader of the CDU. In the brief period from April to June, it looked as though Adenauer might lose power. However, his control over the CDU and the Government is now completely restored, although, as a result of the struggle, he is an even lonelier figure than before. Moreover, the image of him as the main obstacle to a detente, largely promoted by the Soviets, seems to have gained some acceptance in the West.

To make clear the concern with which the Germans have seen events unfold during the past year, it is perhaps useful to look back two years or more to the "pre-Sputnik" era, and sketch a picture of the international scene as it appeared to them at that time. In this earlier period, the doubts caused in the Chancellor's mind by the Kaddufi Plan, and by American policy at the time of the Sub: crisis had been largely dissipated. The Germans felt

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then that their principal problem was not to hold on to what they had but rather to get more - to move forward somehow towards reunification and to persevere in building up NATO's military strength. Confident of their security within the alliance, they believed that, as its forces became stronger, the whole Western position including the German position vis-a-vis the USSR would be steadily improved. At that time, the international front against any recognition of the GDR seemed firm. Although there was no visible progress toward reunification, the United States and NATO as a whole were firm in not accepting the status quo in Germany. While there was perhaps less concern in Germany than elsewhere when "Sputnik" and other Soviet feats gave rise to the belief that Soviet military power had come to equal, or even to exceed, United States power, German confidence in the firmness of the West was first impaired by the developments flowing from the Soviets' campaign against Berlin.

Adenauer is still as sure as ever that the presence and commitment of American strength are essential for this alliance, but in this year doubts about the intentions of this principal partner have beset him. In particular, the death of Secretary Dulles seems to make him feel an even greater responsibility for holding things together, notwithstanding United States assurances of steadfastness. He has, for this reason, worked even harder to build up the association of France and the Federal Republic. With the support of this admittedly difficult French ally he hopes to be able to counteract what he sees as the weakness and unependability of Britain and some shift in the United States position which, in his view, might impair the security of the Federal Republic.

In the light of what we know about the Chancellor's mentality, we can expect him to regard with uneasiness and suspicion any move by the United States and other Allies whose rationale he does not understand or the wisdom of which he does not see. But, by the same token, Adenauer is unlikely to propose alternative ideas of his own and the Western Powers cannot look to him for such ideas.

Adenauer and Foreign Policy

Since its establishment Germany's foreign policy has been turned upon two basic considerations -- the Soviet threat to the Federal Republic and the Federal Republic's absolute dependence on United States military power to protect it from this threat.

Although during the course of the year the Soviet tactic became somewhat subtler and the threat of possible war seemed to have receded, the over-all situation as far as the Germans are concerned is more precarious. Berlin remains in as delicate and dangerous a spot as ever, and the Soviets retain the ability to bring the situation there to a crisis whenever they choose.

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The difference in the German mind is that Germany's Western Allies now seem less firm, less united, and less determined to meet that threat than they were a year ago.

In almost every important political pronouncement on foreign policy he made during the year, in almost every action he took on foreign policy matters, the Chancellor evidenced tremendous concern lest decisions vital to the Federal Republic be taken at its expense. The Chancellor saw the possibility of a realignment of the power factors on the continent which could ultimately undermine the Federal Republic.

The principal events which contributed to this apprehension were: 1) Macmillan's trip to Moscow and indications that the British Government wished to resolve outstanding problems with the Soviets by negotiation which Adenauer believes can only weaken the West; 2) the death of Mr. Dulles whom the Chancellor always considered the firmest force in the West; 3) the handling of the Foreign Ministers' Conference in Geneva, which he considers prepared the way for concessions to the Soviet Union without a quid pro quo; 4) exchanges between President Eisenhower and Soviet Premier Khrushchev which culminated in Khrushchev's visit to the United States and the arrangements leading up to the calling of a Summit meeting; and 5) the fear that the United States was considering withdrawal of its forces from Europe.

The Chancellor sees in these developments a new international atmosphere which has strengthened the Soviet Union's hand without any corresponding progress toward a solution of any of the basic outstanding East-West problems. The immediate issue remains Berlin, on which Adenauer's viewpoint is that the West should stand firm and make no concessions. As far as he is concerned, the most that can be accomplished by an isolated solution of this question, based on the Western proposal of July 28, would be the purchase of a temporary detente, at the ultimate expense of Berlin, Germany and the Western Alliance. For, as he sees it, it will only be a matter of time before the Soviets would utilize their new position to press the Western Alliance again for farther-reaching concessions.

He is convinced that the only agreements in which the Soviets are interested are those leading toward the liquidation of West Berlin, the isolation and neutralization of the Federal Republic, the disintegration of the Western defense system of which the Federal Republic is an integral part, and the eviction of the United States armed forces from the European continent.

He seems convinced that President Eisenhower's invitation to Khrushchev to visit the United States foreclosed the possibility of bringing the Geneva negotiations to a useful close; that at one stroke and without having to make any kind of concession, Khrushchev received the thing he desired even more than a Summit meeting -- a personal meeting with the President.

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Moreover, the Chancellor believes the Western Powers made greater concessions to the Soviet Union at the Geneva Foreign Ministers' Meeting (i.e., July 28 proposals) than they should have. Consequently, their position can best be preserved by shelving these proposals. He is evidently afraid that, if the Western Heads of Government pursue the line on Berlin taken at Geneva, the Western position will further deteriorate. Therefore, he advocates strongly that the disarmament problem must head a Summit agenda and that the question of Berlin should be considered only within the framework of the German question, on which he does not expect any progress. He is determined that no change should be made in the existing Four-Power status of Berlin. The full engagement of United States forces and prestige there is to him a guarantee of the all-important continuing presence of United States forces in Germany.

What the Chancellor seems to be most uncertain of, and most concerned with, is the possible course of the forthcoming negotiations. At this juncture, he apparently prefers to face the consequences of insisting upon the status quo rather than risk a new formula which could undo the present security arrangements, which he takes to be the best the Western world can get under the present circumstances, given recent Soviet military achievements and the apparent gap between Soviet and United States missile power.

Disarmament remains for him the safest subject for negotiation with the Soviets, since it would relieve the West of the heavy pressures now being exerted on them by the more immediate and, therefore, the more difficult Berlin and German problems. But, despite the frequency with which he has dealt with the subject of disarmament, his position on the more specific aspects of the problem remain vague. He continues to oppose any regional disarmament which would single out Germany for special treatment and might lead to American withdrawal, and to insist on consideration at least of vast areas and preferably of global, controlled disarmament. However, the political developments of the past year have not made it necessary for him to press the stand he took during the 1957 talks and, at this juncture, he is not compelled to insist upon the maintenance of a tight link between disarmament and reunification and European security. If disarmament discussions reach the serious negotiating stage, however, he can again be expected to introduce the German problem.

It is interesting to recall Adenauer's own seeming inconsistency under pressure. We believe that early in 1959 he made clear privately that he wished no risk of nuclear war over Berlin. Then he seemed prepared to accept the recognition of the GDR in a solution limited to Berlin which would at least have kept the remaining Western security position intact and United States forces in Germany. But throughout most of the rest of the year he made public his disconcert with Western efforts to get out of the Berlin trap without risking nuclear war. These apparent contradictions

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can probably be explained, however, by (a) Adenauer's view that the threat of nuclear war has receded; (b) his instinctive tactic to attack the problem closest at hand; (c) his publicly expressed belief that there should be no change in the status quo; and (d) his more privately held hierarchy of values which places primary importance on the continued stationing of US forces in Germany.

1. The United States

The Chancellor is concerned about the foreign policy of the United States, which he feels is being influenced by British thinking and does not realistically assess Soviet intentions. He tends to see in the United States attitude and comportment a readiness to reach some accommodation with the Soviet Union on issues directly affecting Germany. Specifically, he seems concerned about the possibility that the United States might be preparing to negotiate a new arrangement on Berlin, which in his view would mark the beginning of the end of present security arrangements in Western Europe, affecting Germany most immediately, directly, and substantially.

Evidence of United States policy reappraisals, talk of the withdrawal of United States forces from Europe, uncertainty of the balance of military power, and the implications of the developments in military technology trouble Adenauer profoundly and have created a malaise in the Federal Republic. The President's visit last August allayed only temporarily some of the Chancellor's suspicions about American thinking and policy but was effective in boosting public confidence. Although the Chancellor and the German Government have been, and continue to be, guarded in their comments on the Camp David talks, there seems to be an underlying assumption in their thinking that the President and Khrushchev in fact reached an understanding concerning the solution of some substantive matters affecting them directly.

Probably the major difficulty for the Chancellor at this time is that his relationship with the American Government is no longer the same as it used to be. He considers himself somewhat isolated and feels that Germany's voice in Western Councils has far less influence than during the years preceding Mr. Dulles' death. This is probably one of the reasons he has moved increasingly toward the French, for he appears convinced that by cultivating a common ground of agreement he and de Gaulle together will be in a better position to influence preparations for negotiations with the Soviets than if he acted without his French ally. There is an awareness in the Federal Republic that United States ties to Germany lack the historical and traditional roots which they have with Britain and France. As the bonds of dependence are weakened, therefore, there is a tendency for the positions of the two countries to diverge.

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Being the politician he is, he is most concerned that, under pressures of the presidential elections in the United States, President Eisenhower might be driven to produce some kind of success from his meetings with the Soviet Premier. This success could take the form of an agreement on Berlin, going even beyond the last Geneva proposals, which in his view would undermine the Allied position in Berlin with inevitable adverse consequences. Adenauer will be uneasy until the major negotiations in 1960 are past, without having materially changed the status quo, and until he sees the outcome of the American election. These things assume even greater significance for him the nearer he comes to his 1961 elections. He sees the necessity for constant watchfulness in 1960 and may be expected to intervene vigorously, not with new proposals but to block any major changes in the Western position. He will need and seek demonstrations of solidarity with his Allies.

2. The Soviet Union

As German doubts concerning the course of Western diplomacy increased, so did their concern about the threat from the Soviet Union to the Federal Republic. The Chancellor considers the Soviet threat to Germany and the West is as real now as it was on November 10, 1958.

Four years after the establishment of diplomatic ties, relations between Bonn and the Kremlin remain hostile. Even on such relatively non-controversial matters as trade and cultural exchanges, the two governments have been unable to work together amicably. The Germans do not believe the Soviets are really afraid of a German military threat to the Communist Bloc. Rather, they are convinced that the Kremlin's policy toward Germany is aimed at enhancing the position of the GDR, isolating the Federal Republic from its Allies, and exploiting the German problem to undo the present Western system of alliances. It has not gone unnoticed that, in a year marked by conciliatory gestures from the Soviets to the British, French and Americans, Soviet attacks on West Germany and Chancellor Adenauer in particular have become more strident and vicious.

There was only one slight change of pace. This occurred on the eve of President Eisenhower's visit to Europe when Khrushchev, without promising anything substantive, sent the Chancellor a letter that was unusual because of the absence of the expected vituperation. Sensing that Khrushchev's primary purpose was to elicit from him a reply which would make him appear as the unforgiving, unreasonable, unyielding, senile Western partner, the Chancellor deliberately answered in language calculated to match Khrushchev in moderation. But almost immediately thereafter the Soviets again unleashed their attacks on the Chancellor, making it unnecessary for him to continue the pretense of sweet reasonableness. At the end of the year the Germans felt that the Soviets had had some success in promoting the image of the Chancellor

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as the main obstacle to a detente, and they are worried that this image now has considerable acceptance in the West.

In Germany itself, as time went on, the Chancellor's view of the futility of negotiating with the Soviet Union became easier to defend. Khrushchev made it clear to the Germans with whom he spoke that the Soviet Union had no intention of permitting reunification on any basis short of the communization of all of Germany, and that disengagement, neutralization, concessions on nuclear weapons for the Bundeswehr, made no direct difference. He was specific on this in his talks with SPD leaders Carlo Schmid and Erler when they visited Moscow early last year. This sense of hopelessness about reunification has led Adenauer's supporters to feel even more strongly that his position must be upheld. His opposition, however, has tended to turn more than ever to, and to advocate, alternative approaches such as new military arrangements in Europe or dealing directly with the GDR in the hope that circumstances ultimately more favorable for reunification might thus be created.

3. The Soviet Satellites

Germany's relations with the countries of Eastern Europe were the subject of thorough discussion in the Federal Republic last year. There is general agreement in the Federal Republic that the continuing lack of contacts with Germany's eastern neighbors is unnatural and undesirable. The consensus is that increased direct contacts would create among the satellite peoples greater understanding of the German scene and belief that the Federal Republic is not the reincarnation of the Third Reich as depicted by Communist propaganda. Although there are no illusions that the satellites will now support reunification, there is a feeling that reunification can never be achieved while the satellites fear it.

The point at issue in the Federal Republic is the context in which contacts with the satellite peoples can be established and expanded. The opposition parties and some elements in the Foreign Office are prepared to exchange diplomatic recognition for these benefits, while making it clear that diplomatic relations do not involve a renunciation of German claims to disputed territories. Adenauer and the Government, on the other hand, are not prepared to pay the price they feel diplomatic relations entail. Unlike the Opposition, they consider that the boundary problem and the question of GDR recognition by non-Communist states are intimately tied in with the satellite recognition question and cannot be disposed of easily by explanatory declarations or specially contrived formulae. They seem convinced that a West German rapprochement with Poland and the other satellites would provide a momentum which would ultimately force greater concessions from the Federal Republic, including the formal writing-off of the Oder-Neisse territories before a peace

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treaty and opening the way for the establishment of diplomatic relations between the GDR and the non-Communist world, particularly the uncommitted states of Asia and Africa.

In planning for the Geneva Foreign Ministers' Meeting, the Chancellor indicated that he was prepared to offer non-aggression pacts to Poland and Czechoslovakia, without extending diplomatic recognition, if such gestures would facilitate the successful conclusion of the Conference. This was to be the German contribution to an East-West detente. However, during the Geneva talks, the Chancellor abruptly dropped the entire project. Given the direction taken by the Foreign Ministers' Meetings in Geneva, and particularly since it became increasingly clear that no quid pro quo could be expected from the Communist Bloc, the purposes for which the proposal was devised no longer seemed to exist. Moreover, in view of the refugee and expelled groups' bitter opposition to the entire idea and the possible implications of this opposition for the 1961 Federal elections, the Chancellor saw no purpose in pursuing the matter.

At present the Federal Government is most irked by the success the Poles seem to have had in putting across their case to Germany's Western Allies and even to some Germans. French President de Gaulle's repeated statements on the logic of the Oder-Neisse boundary have necessitated interminable and ingenious official explanations by Federal spokesmen as to how the French President's position on this question fits into the general context of the Adenauer-de Gaulle entente. There is also uncertainty in German Government circles concerning the attitude of the United States on this question, particularly since Vice President Nixon's visit to Poland. The German Government is apprehensive of possible United States pressure on it to accept the permanence of the Oder-Neisse Line.

Against this background the Chancellor addressed his message of sympathy and friendship to the Polish people on August 31, the 20th Anniversary of Hitler's invasion of Poland. Although attempting to give the appearance of moving in the direction of prevailing political currents, the message was precisely calculated, particularly by its reference to Soviet aggression against Poland in 1939, to provoke a negative official Polish response.

The Chancellor has instructed his party that no steps shall be taken in the direction of establishing diplomatic relations with Poland or any other Soviet satellite before the 1961 elections because to do so might cost the CDU a substantial number of votes. He also considers that, with the intense international activity and the attention being focussed on the question of the GDR's international position, this is not the time for the Federal Republic to do anything which would weaken the Hallstein Doctrine. Moreover, he does not consider this the time for the Federal Republic to give the impression

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that it is prepared to bargain away the Oder-Neisse territories. The Chancellor insists that a German compromise with the Soviet satellites should be reached only within the context of an over-all German settlement, and he considers such a settlement unlikely in the foreseeable future.

4. The United Kingdom

In the last year, German relations with the United Kingdom have reached the lowest point since the War. The German public is resentful of what seems to be the British inability to think of them as anything but wartime enemies. They resent, too, the increasing antipathy toward Germany displayed by the British press.

The Chancellor has been outspoken in his opposition to many of Macmillan's policies. He sees the British as intent upon obstructing the integration of Europe. With security the principal motivating factor in his mind, his suspicions of British inclinations toward schemes of troop withdrawal from Germany reached an all-time high last March and April. When he visited London in November, the Chancellor sought reassurances that troop withdrawal schemes would not be pushed by the British and obtained some satisfaction on this score. Macmillan reportedly told him that Britain merely considered that a zone of inspection and arms limitation might sometime be useful if it were applied without discrimination against Germany and with effective controls.

Despite some British efforts to unbend in their attitude toward the Federal Republic and some attempts by the Chancellor to clear the atmosphere, there are still major areas of distrust between London and Bonn. The Chancellor thinks the British are soft on Berlin and the GDR and will never forgive Macmillan for his Moscow trip, which he believes breached Western solidarity and gave the Russians an impression that the West's position is flexible.

Many Germans, including many of Adenauer's CDU followers, instinctively want a better balance in Germany's relations with the United Kingdom and France. They fear the consequences for the Western Alliance of serious differences between the English and German partners. Some hope for better relations existed in the Federal Republic just after the British elections and Lloyd's statements presaging closer relations with countries on the Continent. These hopes were somewhat strengthened when Defense Ministers Strauss and Watkinson reached agreement on arrangements for joint production of tanks and when the Chancellor declared his willingness to meet the British wish for better commercial arrangements and proposed using WEU as a bridge between the Six and Seven.

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Despite public interest in improved relations and the Chancellor's declaration of intent to work more closely with Britain, there is a great residual area of mistrust between the two Governments. Under such circumstances there is little prospect of a serious improvement of relations in 1960 although, as always, security and the need for Western mutual cooperation probably limit the degree to which differences in dealing with basic international political issues can now be carried.

5. Relations with France

The Chancellor retains the conviction that France and Germany must remain inseparable allies. He has publicly maintained an attitude of understanding tolerance toward the wilful and imperious aspects of French policy under de Gaulle, and during 1959 German ties with France were actually strengthened. In his efforts to buttress the Franco-German relationship, the Chancellor was aided by external pressures from the Soviet Union, doubts about the United Kingdom and the United States, and by the widespread conviction, in both France and Germany, that cooperation through the integration of the Six is paying political and economic dividends. The Chancellor looks to de Gaulle for support for his positions on the Berlin problem and on negotiations at the Summit. Worried about American and British policy, the Chancellor sees his relationship with de Gaulle as a counterweight to the Anglo-Saxon influence within the Western Alliance. Even though neither de Gaulle nor Debré supports the concept of a supranational integrated Europe, the Chancellor insists upon protecting the political evolution inherent in six-power cooperation. Finally, the Chancellor shares the French conception of the strategic importance of Africa to Europe and thus tacitly supports French policy toward Algeria and the French African Community.

Maintaining such a close relationship, however, is not without its difficulties. Within the Federal Republic there are widespread misgivings over France's pursuit of nationalistic objectives under President de Gaulle. There are doubts about the efficacy of France's Algerian policy and concern lest the Federal Republic become too deeply involved in underwriting French overseas development projects. In commercial and political circles favoring a better balance in the Federal Republic's relations with France and the United Kingdom, there is a fear that supporting French ideas on the Common Market and not achieving broader free trade may entail too great an economic sacrifice and contribute to splitting Europe and the Western Alliance.

One of the most difficult problems for the Chancellor is attempting to reconcile de Gaulle's objectives in NATO with Germany's security requirements and relations with the United States. France's withdrawal of her Mediterranean Fleet from NATO, her objections to an integrated air defense system in Europe, and her refusal to have United States nuclear warheads stocked on French soil raise serious doubts about the security implications

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of French intentions. In September, Defense Minister Strauss warned about the dangers inherent in any attempt by a European nation to impose hegemony on its continental allies. In December, Chancellor Adenauer sought to ascertain from Debré the reasons for French actions with regard to NATO. He reportedly made it clear to him that he did not believe Europe could be defended by a system of national forces; that United States power had to remain committed to Western Europe; and that this could only be accomplished within the framework of an integrated NATO defense system. However, the Chancellor was reportedly somewhat impressed by de Gaulle's counter argument that a nuclear-equipped European force would be needed to replace United States forces which probably would be withdrawn from the Continent at some future date. There are strong opinions around the Chancellor that such a step is essential to make the nuclear deterrent credible to the Soviet Union. It appears that the Chancellor is prepared at least to "reinsure" against a possible United States withdrawal by tightening Germany's ties with France. Nevertheless, at the December NATO Ministerial Meeting, Strauss roundly criticized France for her failure to agree to an integrated air defense system.

Going into 1960, there is an increasing awareness in the Federal Republic that discord in the Atlantic Alliance prompted by French pursuit of national objectives has threatened to pose an unacceptable choice for the Germans; that they might have to choose between France and the United States. The Germans hope they will not be faced with this choice, but as long as their security depends on the United States there is little doubt as to what course they will follow.

6. European Integration

European integration remains a cardinal principle of the Federal Republic's foreign policy. The Chancellor and his close supporters see it as providing the means for binding Germany inextricably to Western Europe, thereby minimizing historical German anti-Western tendencies and possible temptation to embark on an independent course. They see integration also as an important factor in strengthening Europe's security, as well as her political and economic stability. In addition, they consider that it provides the multilateral framework in which the Franco-German partnership can be expanded and developed.

However, there is serious concern in some political and many economic circles in the Federal Republic about the split among Europe's trading nations following the demise of the Free Trade Area negotiations in December 1958. Economics Minister Erhard and strong economic interests desiring the broadest and most liberal trading arrangements in industrial goods seek an accommodation between the Six and Seven. They fear that the pursuit of integration goals

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under France's influence might exact too high an economic sacrifice in terms of German markets in the Seven. There are also important political forces who deplore the strain in German-British relations, which they ascribe to a too narrow and rigid German support of French views within the Common Market Community. Many opponents of the Chancellor's policies argue that France under its present leadership seeks only national objectives within the Six.

Despite these objections and qualms, the EEC has enjoyed full German support in its first year, and a variety of ways has been considered for bridging the gap between the Six and the Seven. A recent suggestion to use WEU for bringing the British and the Six together has been superseded by new developments, including the Economic Conference of the OEEC countries as well as the United States and Canada which recently met in Paris.

At the turn of the year, the Germans were hopeful that United States intervention would provide the catalyst for resolving the economic aspects of the EEC-EFTA problem. They were grateful for the leadership taken by Under Secretary Dillon and particularly for the blessing he gave to the political importance of the Six.

7. Attitudes Toward Non-Committed Countries

The Federal Republic is showing increasing interest in expanding her relations with and aiding the uncommitted countries of Africa and Asia. Last year the Vice Chancellor and Economics Minister Erhard and other prominent Federal officials visited these areas, and during the same time there was an increasing number of visits to the Federal Republic by leading officials of these countries.

The Germans seem fully prepared to help the underdeveloped nations not only for economic reasons but also because of the growing appreciation of the greater political importance of these countries. Moreover, the developing relations between some of the strategically more important uncommitted states and the GDR (which is openly exploiting these ties to obtain a degree of international respectability) have brought home to the Federal Republic the urgency for stepped-up West German counter efforts. The Federal Republic now seems prepared to use its superior economic resources to meet the East German challenge in these territories and at the same time is combining information and aid programs in an effort to enlist the sympathy and moral support of the Afro-Asian peoples. In this context, it is interesting to note that German information media, in an obvious attempt to put the German problem in terms which the peoples of these areas can understand, refers less frequently to the question of German reunification and more often to the right of the German people to self-determination.

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The German assistance program for the underdeveloped nations has taken a variety of forms. The larger part is channeled through the Hermes export guarantee system which, in addition to providing aid, also fosters German exports. The balance consists of technical assistance grants, which last year totalled DM 70 million, and direct credits. The principal aid recipients thus far under one or more of these programs have been India, the UAR, several of the newer African states, Argentina and Brazil, as well as Greece and Turkey.

Finance Minister Etzel has put the Federal Government on record as planning some increase in aid in 1960 and the major political parties favor such a development. While aid will continue to be provided through bilateral arrangements with the recipients, the Germans are also interested in multi-lateral cooperation with their Western Allies. It remains to be seen how much the Federal Republic is really prepared to contribute.

INTERNAL

1. The Crisis Over the Presidency and Adenauer's Successor as Chancellor and Leader of the CDU

In spring there developed a crisis nominally over the presidency but actually over the question of Adenauer's continuance in power as Federal Chancellor and head of the CDU. Adenauer was faced with the problem of finding a suitable candidate to succeed Heuss. At the same time, he was greatly troubled both by the ominous tone, for him, of the international situation which he believed was being set by Macmillan especially with the passing from the scene of Mr. Dulles. In these circumstances, he made an almost inexplicable mistake under advice from close associates that he could himself become President and from that position name and control his successor, thus solving the worrisome problem of transition to a new Chancellor. He evidently believed that he could thus control policy in his own lifetime and have some confidence in his line being continued by his successor. No sooner had he made his announcement than was proof presented of the incorrectness of his assumptions. The CDU promptly made clear that they preferred Erhard, a relatively sure winner for the 1961 elections, to Adenauer's choice, Etzel, even though he did not fully share Adenauer's views of foreign policy. It was also clear that, as President, Adenauer would not be able to choose a successor whom he could influence and would, indeed, have little or no power compared to what he had been exercising. Once aware of this, Adenauer changed his mind and remained Chancellor and no event in the history of the Federal Republic ever created such a stir. This presidential fiasco gave a preview of the struggle for power which will probably occur upon Adenauer's death or retirement; and aroused doubts within and outside the Federal Republic about the soundness of the new German democracy. Where he had been a respected and popular leader, Adenauer seemed even to many of his followers to have turned

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on his own party as a wily, stubborn, hard old autocrat, ruthless in his treatment of his colleagues and determined to hold power in order to have his own way in matters of policy. None could deny that his policies were successfully attacked, for to attack him would discredit the party as a whole. One effort to dilute his power in the party was undertaken in summer by some CDU leaders, notably Protestants, but he turned it aside and destroyed it easily. Once the party realized that they could not unseat him and that they were wedded to his policies there was nothing they could do except to uphold him, and this they did as completely as ever. However, this support is dependent on the lack of any contender who can promise as many votes in 1961 and as firm a hand in the present fluid international situation. It is grudging and restive and his people are more than before aware of the Chancellor's fallibility and little inclined to excuse him if anything should go wrong.

Fortunately for Adenauer, economic prospects remain excellent - so good, in fact, that even the coal industry's major problems have had no serious political consequences. The Chancellor will have to contend in 1960 with Laender Governments in a number of problems including radio and television laws and sharing of financial burdens. There will also be tension on the wages and prices; labor has announced its intention to bargain hard. The Federal Government has responded with appeals for restraint and will plant a crop of social welfare legislation this spring for harvest in the 1961 elections.

In terms of numerical personnel goals, the Bundeswehr build-up was carried forward during 1959 substantially as planned, but serious difficulties were experienced in securing trained technical personnel and in acquiring sufficient land for troop training purposes, for missile installations, and for airfields. There has also been a lag in the modernization of the equipment of the Bundeswehr, partly because of the Federal Republic's desires to keep expenditures from mounting too rapidly, but more perhaps from delays in the selection of new weapons; these delays have been due primarily to (1) uncertainties as to evolving strategy and tactics, (2) the increasingly rapid rate of obsolescence of weapons systems in general, as well as (3) the absence of a clearly defined role for the Federal Republic in the production of weapons.

Nothing is being done openly about a successor to Adenauer. On the contrary, he has succeeded in convincing the party that he will surely lead and win the 1961 election campaign for the CDU. It is still said generally that if Adenauer died today Erhard would succeed him because he is Vice Chancellor, because of continued prosperity for which he gets much of the credit, and because he is the party's best vote-getter. However, in this year's test, Erhard was found wanting in courage and in general political astuteness and he is vulnerable to attacks on this ground by other contenders. Erhard is almost completely eclipsed. Either he or Krone could be considered neutral figures to be named if controversy grew too heated but both are thought of as poor election candidates. Schröder would be another contender

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for the Chancellorship. He can command strong Protestant backing and there is need for a balance with the President now a Catholic. But Schroeder is not popular; he is hard and cold. He has a history of Nazi Party membership and a reputation even stronger than Adenauer's for a contempt for the Opposition bordering on contempt for democracy. Strauss remains powerful and ambitious and has managed to avoid new criticism for temperamental outbursts; but he is thought more likely to be the second or third Chancellor after Adenauer rather than Adenauer's immediate successor. Von Hassel is well liked by the Chancellor and is working to strengthen his position in the Party; but he has had some recent setbacks. Gerstenmaier would probably only have a chance for the Chancellorship if the CDU should lose its absolute majority in the 1961 elections and a man were needed to lead a coalition with the SPD, the FDP, or both.

The succession will probably be determined by Adenauer's own preference if he remains strong and active and wins the 1961 elections. If Adenauer should die or be incapacitated before the 1961 elections, the most likely development today would be an Erhard Chancellorship, possibly with Schroeder or Gerstenmaier or Etzel as Foreign Minister. The choice ultimately will depend on the mood and outlook of the CDU/CSU Bundestag faction leaders at the time of decision and this will be much influenced by developments in the foreign relations field, particularly the Berlin situation.

2. Foreign Policy Attitudes Within the CDU/CSU Differing from Those of The Chancellor

The first sections of this report dealt in the main with the foreign policies and attitudes of the Federal Republic as determined by Chancellor Adenauer. Because of their possible emergence as significant factors in the future when Adenauer's firm hand is no longer there, it is useful to examine briefly the attitudes of significant elements in the CDU/CSU whose outlook and attitudes differ from those of the Chancellor. It is to be emphasized that none of these groups are expected to play a significant part in determining basic policy as long as Adenauer remains in office.

Firstly, there are those in his party who agree with the Chancellor in following a hard policy toward the East, while concentrating on building up military and economic power in Western Europe, but disagree that the best framework for this is necessarily one of intimate Franco-German partnership to the relative exclusion of Great Britain. In other words, these men do not share Adenauer's particularly strong orientation toward France. While not being anti-French, they hold that West Germany should not tie itself too exclusively to France, and certainly not place itself under French leadership or embroil itself in quarrels with Britain for the sake of French interests. There are indications that men like Strauss and Schroeder and quite a few Bundestag deputies have this general attitude.

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Secondly, there are many in the CDU and CSU who are inclined to believe that Erhard's approach to European trade problems - his support for trading areas as wide as possible rather than putting primary emphasis on the "little Europe" of the Six - is more in Germany's interests, both economic and political, than the Adenauer policy of predominant emphasis on the French connection and European integration. Among these men, there is the belief that the wider trading area would be best for German commerce; and the belief that the Common Market with its effect of partial economic and political exclusion of Britain from the continent may embitter German-British relations and even endanger British political and military cooperation with the Federal Republic. If doubts about the superior advantages of Franco-German partnership should spread more widely or if failure to solve the problem of the rivalry between the EEC and the EFTA should produce serious economic strains in the Federal Republic, this major current of opinion within the CDU may grow.

Thirdly, there are men prominent in the CDU who place such stress on the importance of reestablishing German unity that they are willing to take what Adenauer would regard as dangerous risks in efforts to attain it. The Soviet threat to Berlin and the harshness with which the Soviets refused to consider any treatment of the German problem except by the two Germanies, together with the increased impossibility of opposing Adenauer, have this year dampened the efforts of men like Gerstenmaier, Grädl, and Kiesinger who, in 1956, won considerable support for their new approach to reunification by peace treaty negotiations. For these men reunification is of such importance that they remain generally far more willing than the Chancellor to experiment with new ideas. They would also be willing to go much farther than Adenauer, or than men having the general approach of Strauss or Schroeder, in the direction of all-German talks under Four Power aegis concerning the reunification problem.

Finally, there is, as already noted, sentiment in the CDU (as there is in the Foreign Office - perhaps including Foreign Minister Brentano himself), as well as in the Opposition, in favor of improving West German relations with Poland and Czechoslovakia. There was support for offering of a non-aggression pact, or some similar formal declaration. Some favor moving towards establishment of diplomatic relations. These men feel that the policy of Adenauer and the CDU majority - partly under refugee pressure of doing little or nothing until after 1961 to improve relations with the satellites - is mistaken. They tend to share the viewpoint of the SPD, and of businessmen interested in Eastern trade, that better relations with the satellites can do no serious harm, and may, by contributing to an East-West detente, improve the prospects of some day settling the German problem.

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3. Opposition Views on the German Problem

To Adenauer's internal opponents American withdrawal was not at all unthinkable or even undesirable in the frame of German reunification. Rather they argued that it was inevitable and intrinsically a valuable counter in bargaining for a new pattern in Europe in which there might ultimately be hope for reunification. The SPD early in 1959 said they would accept disengagement without direct progress toward reunification, and that they would have the Federal Republic work with Pankow on questions of contacts between East and West Germany and toward reunification, a "Deutschland Plan" which proved to be very unpopular and which has been a target fully exploited by the CDU. At the end of the year, they moved toward ideas which were stronger in support of the Federal Republic's membership in NATO; and put forward a more moderate plan for a zone of limited disarmament in Europe, with both West and East Germany remaining members of the NATO and Warsaw Pacts respectively. The SPD is prepared to consider new contractual arrangements for Berlin, believing that some such change may be inevitable to resolve the present crisis. They also stress that the Berlin situation can only be finally settled in the framework of an all-German solution involving withdrawal of foreign troops.

The FDP was not hopeful of success but remained willing to try "zones of limited armament" as a factor in bargaining for reunification. However, the FDP put most emphasis on proposals which would, in effect, turn over reunification negotiations to the two Germanies under supervision of the Four Powers and ultimate acceptance of an agreed plan to a plebiscite. Both the FDP and the SPD believe that only a stronger German initiative can bring about progress on reunification - that if the Germans do nothing for themselves, nobody else will help them. There is a restiveness because the division of the country and the oppression of a fourth of its people seems unchangeable and because Adenauer's hard line requires a burdensome, worrisome, continuing readiness to meet force with force. However, there is little evidence that popular opinion is shifting toward the "activist" ideas of the Opposition. We believe that if prosperity continues and if the allies do not weaken in support of German interests and security, Adenauer will be successful in keeping broad public support for his policy of "no experiments" as he did in the 1957 elections.

4. Elections and Party Politics

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the Chancellor may never let them fall completely. The FDP recovered its balance after the 1957 defeat and is confident of holding its minor national position. Pursuing a nationalistic line and exploiting concern about the Oder-Neisse territories, the BHE came back quite strongly and hopes to regain national representation in 1961.

By the end of the year, the Opposition (like those elements in the CDU/CSU who differ with the Chancellor on various points of policy) seemed resigned to Adenauer's absolute rule in his time; and they withdrew somewhat from the arena of foreign policy and turned their energies more to building up a position for the 1961 Federal elections or for moving in should Adenauer's earlier departure from the scene open up a great reshuffling of forces. The SPD pulled itself together to draw the necessary conclusions from the past. A Marxist doctrine of class struggle and sterile tactics of opposition to all that the Government did had brought the party only defeat. A new attempt to win a base for the party broader than the working class was set in motion at the Stuttgart Party Congress in 1958 and culminated in adoption of a new basic party program at the end of 1959. The program sets forth no doctrinaire economic policy; it endorses national defense (albeit without atomic weapons) and calls for a new and constructive relationship with the churches. This new "un-Marxism" will not in itself convince many voters to change to the SPD but it provides a flexible basis on which a strong personality can campaign with better prospects and has given the party itself a new enthusiasm. By the end of the year it seemed fairly certain that the SPD would call on its most popular campaigner to exploit this potential, that Willy Brandt would lead the campaign for the SPD in 1961. He could be both a formidable opponent because of his personality, and, on foreign policy grounds, more than any other in his party potentially acceptable in some future coalition.

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